FIFTH DAY—*12th October 1927.*

The House re-assembled at 12 noon.

The discussions on the Agriculturists' Relief Bill were resumed.

MR. C. SUBBA RAO in explaining the aims and objects of the Bill at great length said that the scope of the Bill was limited only to those who cultivated the lands themselves, whose total income from lands and other sources did not amount to more than Rs. 600 and who were heavily indebted. The main object of the measure was, he said, to prevent the raiyats from losing their lands by incurring more debts than they could repay and to create facilities to them to raise loans. He thought that the Bill safeguarded the interests of both the debtors and creditors alike. He was therefore of opinion that, on the whole, it was a very desirable piece of legislation. The principles contained in the Bill had been recommended by the Malnad Improvement Committee and also recognised both by the Legislative Council and the Representative Assembly at the previous sessions.

Referring to the specific remedies provided in the Bill for helping both the debtors and creditors, he said that a limit had been fixed beyond which the raiyat could not contract loans and that provision had been made for the repayment of such loans in a definite number of instalments at easy rates of interest. This number could also be increased by the court for reasons to be recorded in writing. There was also provision for the mortgagee to be put in possession of the mortgaged property for a definite period till the debt was cleared. The only hardship to the creditor, if hardship it was, was that for simple money decrees he had no power to go against the debtor's immoveable property But such a provision, the speaker said, was absolutely necessary to safeguard the debtor's property and to discourage the creditor from advancing the loans to an unlimited extent.

With reference to the statement that the Usurious Loans

Regulation was sufficient to safeguard the debtor against exorbitant rates of interest charged by the money-lenders, Mr. Subba Rao said that that Regulation applied to all, while the measure under consideration was applicable only to the actual raiyats and that although the terms of payment of the debt were the same in both cases, yet under the present Bill the payment should be made in not more than eight instalments.

Only certain sections of the Deccan Agriculturists' Relief Bill were worked in particular areas in Bombay. But the Commission appointed in 1912 recommended certain changes in the Bombay Act which that Government had not yet brought into force. On the other hand, the present measure before the House embodied all the recommendations made by that Commission. In these circumstances he recommended the adoption of the Bill.

MR. BELUR SRINIVASA IYENGAR drew the attention of the House to paragraph 10 of the report submitted by the Malnad Improvement Committee, and said that so far as the malnad was concerned, there appeared to be a necessity for a Regulation of the kind. But he was not quite sure whether it was called for in the case of the maidan districts; and even in the case of the malnad he thought that it would not apply to the whole of it. He recognised that the Regulation was calculated to improve the lot of the indebted raiyat, but he had strong objection to Clauses 4, 12, 14 and 18. Clause 18 appeared to be inconsistent with the objects of Clauses 15 and 17. There was absolutely no justice in levying the penalty of Rs. 100 on the money-lender.

THE DEWAN replied that Government had no objection to the omission of that clause.

Coming to Clause 12, MR. BELUR SRINIVASA IYENGAR said that it was equally unjust to say that the indebted raiyat should not be arrested for failure to pay his instalments. If, on the other hand, it was stated that he should not be arrested at the harvest time particularly, it was something. It was worth while allowing this question to be threshed out properly at the Select Committee stage by taking evidence of select non-official members.

THE DEWAN observed that the main idea of the Bill was to help the agriculturist as much as possible, and hoped that the member would see that that intention was not directly frustrated.

MR. SRINIVASA IYENGAR replied that it was far from his intention to undermine the Bill as a whole. But he did

not think it right to say that the arrest warrant should never be obtained against any indebted raiyat.

In regard to Clause 14, he said that it was too much for the Deputy Commissioner to set aside a sale sanctioned by a Civil Court.

As regards Clause 4, Mr. Srinivasa Iyengar insisted that the date should be specified in the first sentence. It was not clear whether the debt had reference to the date of passing the Regulation or the date of the transaction.

THE FIRST MEMBER OF COUNCIL replied that it was proposed to fix two years from the date of passing the Regulation. The fixing of a definite period, he said, would however be left to the Legislative Council.

Subject to the observations already made by him, MR. SRINIVASA IYENGAR said that there was no objection to the Bill as it gave to the raiyat all facilities to not only maintain himself during the period of the debt but also repay it within the time to be fixed by the court.

MR. H. B. GUNDAPPA observed that the object of the Bill was to do the greatest good to the greatest number. Similar Regulations, he said, had been introduced in some western countries over a hundred years ago, so that Mysore lagged behind those countries to that extent. He said that the members had reason to be thankful to the Government for having brought up the Bill at least during this session. The question, he said, deserved to be viewed very liberally.

The representatives of the people were under a pledge to support the Agriculturists' Relief Bill. He thought that the restriction in regard to the value of the property of any raiyat to come under the measure was not necessary and that it should be removed. He did not also agree with the previous speaker that Clauses 4, 12, 14 and 18 should be omitted. If that was done, the Bill would lose much of its force. This Bill gave an opportunity to the members to show their genuine sympathy with the dumb millions and hoped that they would not forego the best opportunity of helping them.

MR. TUDAKI RAMANNA said that the Bill should be made applicable to the whole State and that if it was the intention of the Government to apply it only to the malnad, it should be specifically stated to which part of the malnad. He did not agree with Mr. Gundappa that the restriction as to the value of the property should be removed. He was of opinion that the Bill was meant to help only the poorer raiyats.

MR. P. SITHARAMAIYA was of opinion that the Bill would not help the raiyat whom it was mainly intended to relieve. Under the existing state of things he thought that the raiyat borrowed money for the improvement of his land from many people, and if the mortgagee were put in possession of his property it would be difficult for the other creditors to get any amount out of it. The net result of all this would be that he would not get any loan at all. Another result of this Bill was that even if the raiyat was able to pay in instalments he would not pay, with the result that his land would lie uncultivated for fear that the mortgagee would take away the harvest, leaving him nothing for his livelihood. In this view he thought that the Bill would neither help the malnad nor the maidan districts.

MR. M. P. SOMASEKHARA RAO observed that if the measure was meant only for the malnad and the malnad people agreed to it, there was no reason why maidan members should oppose it. He, however, thought that it would be useful if the places to which it would be applied were mentioned in the first section of the Bill.

Going to the details of the Bill he said that he did not agree with Mr. Belur Srinivasa Iyengar in thinking that Section 18 was unnecessary. In view of the facts that Section 30 of the Stamp Regulation required that a stamped receipt should be given for every payment of over Rs. 20, failing which a penalty was prescribed under 65 of the same Regulation, there could be no objection to the section under reference.

Coming to Section 14 of the Bill he said that under Schedule III of the Civil Procedure Code, the power of cancelling the sale was given to the Deputy Commissioner and that if he found that the auction did not fetch an adequate amount he must have power to cancel that sale.

Referring to the objection raised by Mr. Belur Srinivasa Iyengar to Section 4, Mr. Somasekhara Rao said that it was not in the original section and that it was added for a very good purpose. In the absence of such a provision he thought that the beneficial effects of the other provisions would for the most part be negatived. On the whole he thought that the Bill should be supported.

MR. B. SRINIVASA RAO pointed out that in many cases the money-lender would receive payment in kind, the money value of which was not calculated on the spot. This they would do only when prices had fallen and then make adjustments for the interest due. This meant serious loss to the

raiyat. For this reason, it was necessary that regular receipts should be insisted upon for all payments. He considered that the money-lender should also be compelled to obtain signatures or thumb impressions of the raiyats concerned to the counterfoils and the receipts granted for payment. With these observations he supported the Bill.

MR. MAHOMED ABBAS KHAN opposed the Bill on the following grounds:—

(1) Transactions which took place many years previous to the passing of the Bill were proposed to be dealt with under this Regulation. When there was already a decree he did not see why that should be held up under this Regulation.

(2) Under the Evidence Act if there was a registered deed no oral evidence could be adduced varying its forms. Under the proposed Bill, however, oral evidence could be produced to negative documentary evidence. This would increase litigation.

(3) Revival of agricultural banks would give more advantages to the raiyat than this Bill.

(4) Absolute power was given to the court to increase the number of instalments of payment, in case the yield from the property was not adequate, while the court had no power to reduce the number when the yield was more.

(5) The creditor was made punishable in a Criminal Court if he did not give receipt or produce accounts.

(6) Under Clause 19, a document should be in the raiyat's own hand writing; if not, even if it was registered with 20 witnesses, it would not be admitted.

(7) Under the proposed Regulation, any raiyat could bring a declaratory suit after paying a nominal court fee. This was going too far. The court fee should be fixed with reference to the amount involved in the suit.

MR. C. NARASIMHAIYA thought that the raiyats in the maidan were more prosperous than those in the malnad and that there was no need for a measure of that kind in the maidan. He also thought that by passing this Regulation, the money-lender would be deprived of very many remedies that he at present could resort to, to recover his loan. Under the proposed Regulation the decree-holder was not competent to attach any immoveable property of the judgment debtor. Under the Civil Procedure Code, the agricultural implements and cattle could not be attached. So there was no scope for the decree-holder to execute the decree. If there was no guarantee of repayment, what was the induce-

ment for money-lenders to help men in need ? Without a Regulation of the kind under discussion, there was at least scope for them to put the judgment debtor in jail. Even this remedy had been taken away by the Bill. Some such provision was necessary to enable the *sowcar* to recover his money. These were all practical difficulties connected with the measure. He was of opinion that without going into all these points, it was inexpedient to pass such a measure.

MR. RAZVI disagreed with the views of Mr. Belur Srinivasa Iyengar that Clauses 12, 14, 16 and 18 of the Bill should be omitted and said that if that suggestion was adopted, it would take away from the raiyat all the benefits contemplated under the proposed measure. He assured the Assembly that the motive of Government in drafting this legislation was unquestionable as it was meant in the best interests of agricultural development. He admitted that the raiyats would be faced with a certain amount of trouble in the money market during the transition stage but that conditions would improve within a couple of years and that this legislation would tend to help the raiyat in overcoming the present temptation to borrow. He was not, however, in favour of giving retrospective effect to the Regulation but wanted every scope to be created for the money-lender to recover his old debts.

MR. M. C. LINGE GOWDA was of opinion that it was worth while to try the experiment even though a section of the people would be subjected to some amount of hardship. As the opinion of the House was almost equally divided on the question, he requested Government to come to an amicable settlement of it as was done in the case of the Coffee Cess Bill. According to the Bill, the term 'cultivator' included the Zamindar, the raiyat and the agricultural labourer and Mr. Linge Gowda wanted it to be confined to the raiyat. What should happen to the raiyats, he asked if the money-lenders were to boycot them altogether? He wanted an assurance as to how many mortgage banks and co-operative societies the Government were going to start and what provision they had made to finance them. He added that Government should also specify the unit of jurisdiction that would be brought under the operation of the Bill. He was of opinion that a beginning might be made in the malnad and that after gaining some experience of its working there, it might be extended to the maidan.

MR. BASAPPA SETTY criticised the policy of copying a

thing simply because it existed elsewhere. He was not prepared to believe that the raiyats could pull on for long without the aid of the *sahukar* even though Government established Land Mortgage Banks. He warned the Government against creating a gulf between these two sections of the people in the locality by paving the way for increased litigation. He was of opinion that the economic condition of the raiyats would not improve till the general level of education in the villages was adequately raised by the introduction of compulsory education and by the spread of enlightenment to enable them to realise the waste involved in spending money on social functions, etc.

MR. VENKATAPPA in strongly supporting the Bill remarked that the fears entertained by the opponents to the measure were all baseless. In regard to the objection that the raiyat would not command credit after the introduction of the Regulation, he said that it was a mistake to believe that the money-lender generally looked to the courts for the recovery of the loans. Money transactions which were carried on were based mainly on mutual trust between the lender and the borrower, and so long as the integrity of a party was not impaired, there was no fear for the money-lender. Referring to the argument that this measure would tend to increase litigation, Mr. Venkatappa said that it was totally unfounded. For, he pointed out, that the money-lender was generally an influential person in the locality while the poor raiyat was not; that it was not possible for the latter to get witnesses easily to support his fraudulent case and as such there was no prospect of his cheating the money-lender. As regards the third argument that the legislation should not be brought about before raising the general level of education he said that it would be idle to wait for that blessed day to come and that it might be introduced wherever the people wanted it.

MR. S. C. MALLIAH said that the object of Government in bringing forward the Bill was to ameliorate the condition of the poor agriculturist and that it was praiseworthy. He thought that the following were the reasons for creating a difference of opinion in the Assembly over the measure:—

(1) Unlike the previous Bill the names of places to which it would be applied had not been specified;

(2) no assurance had been given that the Assembly would be consulted before the extension of the scheme to new areas; and

(3) the practical measures that would be adopted by Government to finance the raiyats in case they alienated the sympathy of the local money-lenders had not been indicated.

He thought that there would be no objection to support the Bill if satisfactory answers were furnished to the points mentioned above.

MR. HOSAKOPPA KRISHNA RAO admitted that the agriculturist would have to face certain inconvenience in the initial stages. Even the opponents of the measure did not seriously disagree with the principles underlying the legislation and he pointed out that the Assembly was not the place for considering the details. As the Bill had still to pass through four more stages in the Legislative Council, he said that there was ample opportunity for its emerging out of it in an improved form, as well as for the members of the Assembly to focus public opinion in the interval on the principal points in the Bill.

In regard to the contention whether it should be applied primarily to the malnad or maidan, Mr. H. Krishna Rao opined that it was intended mainly for the malnad where there was chronic indebtedness. He added that this measure had been on the anvil for the past 15 years and more; that the question was first tackled by Mr. Matthan as Special Officer to report on the conditions in the malnad and that later on, Sir M. Visvesvaraya referred the question to the Agriculture Board of the Economic Conference who had recommended a Regulation of the kind now proposed. He explained how the necessity for such a Bill was repeatedly brought forward in various ways and at various times. The Bombay Act was working satisfactorily and the latest amendments proposed thereto had been incorporated in the Bill now under consideration in Mysore. He emphasised the point that the Deccan Agriculturists' Relief Act had not been adopted *in toto* but in an improved form. Mr. Krishna Rao also referred to its introduction in Kashmir and quoted the opinions expressed on its usefulness both by His Highness the Maharaja of Kashmir and His Excellency the Viceroy in the recent banquet speech in that State. It was also in force in the Panjaub for some years past.

In these circumstances, he appealed to the members to give their unstinted support to the general principles of the Bill and accept it unanimously.

THE INSPECTOR-GENERAL OF POLICE (Mr. S. Hiriannaiya) stated as follows.—The question having been

ably and exhaustively discussed by the members of the House for three days there is nothing very new that I could say. I however wish to submit my views for the consideration of the House as I have had occasion to acquire some experience of Malnad conditions in the course of my official service. I agree with Mr. Venkatesaiya that in the malnad parts of Hassan and perhaps of some taluks of the Kadur District the agricultural labourers have acquired economic freedom owing to the introduction over half a century ago of coffee cultivation and the consequent influx of large foreign capital. There was great and keen demand for labour for coffee cultivation and the local *jitagars* were thereby enabled to throw off the yoke of centuries. But in the malnad taluks of Koppa, Sringeri, Thirthahalli, Nagar, Sagar and parts of Sorab conditions remain as bad as ever as no measure of emancipation has yet reached the labourers. Let me illustrate my meaning by an example. Take the taluk of Nagar in the Shimoga District. That taluk has a population of about 39,000 souls but if you make inquiries you will find that the total number of land revenue khatedars in the taluk will not exceed about 3,000. Now if only 3,000 people own all the cultivable lands in the taluk, what is to become of the remaining 36,000 people? As we all know there are no industries in the malnad and there are not even subsidiary occupations for the people. The inference is irresistible that these men must be eking out their livelihood by working as *jitagars* or bond labourers under the rich capitalists and land owners—a state of things not far removed from agrestic slavery. I wish now to ask the members of this House: are the Government to keep quiet merely looking on when they are faced with such conditions? No, Government can in such circumstances evade its responsibility and this is the reason why ever since the inception of the Malnad Improvement Scheme by Sir M. Visvesvaraya in 1914 the Government have had constantly before their minds the vexed question of relieving the indebtedness of the malnad raiyats. The Bill now before the House is the result of prolonged consideration during all these years and is one of a comprehensive scheme of relief adopted by Government. It has been remarked that the measure is unfair to the *Sahukars*. Well. I do not agree in that criticism but even if it meant some hardship to the money-lenders I think Government would be fully justified in proceeding with the measure. Members of this House are not unaware that in Ireland to

give relief to a struggling and rack-rented peasantry the British Government bought up the rights of the land-lords and settled the tenants on the lands with full proprietory rights. The emergency justified such a remedy. Similarly in the Punjab about 25 years ago the Government to protect the peasantry from the rapacity of the money-lenders passed a special act to prevent the permanent alienation of agricultural land to persons other than agriculturists. What is proposed to be done in the present Bill in Mysore is to give the agriculturist when he has had the misfortune to borrow from a money-lender an opportunity to prove the real nature of the transaction entered into by him and to allow the creditor only a reasonable rate of interest for the use of his money, *viz.*, 6 to 12 per cent instead of the rate of 24 to 36 per cent which he is now charging. What does it matter if the creditors suffer some little hardship of this kind if thereby their less fortunate brethren are set on their legs again and enabled to become free-peasants and land owners?

Another criticism offered against the Bill was that if it was passed into law the raiyat would lose all credit. I am not quite sure if such a result would follow. However, the Government have not overlooked the contingency and have as explained by Mr. Ramaiya and the Secretary to Government, Law Department, under consideration, the starting of Land Mortgage Banks for the benefit of the more well-to-do raiyats and co-operative societies and *takavi* loans for the poorer raiyats. With these ameliorative measures it seems to me that the Bill before the House is as good a remedy as could be devised for the chronic indebtedness of the malnad raiyat and I sincerely trust that the members of this House who have been returned by the suffrages of those people will not stand in the way of the passing of this beneficial measure.

THE DEWAN said that the measure would be made applicable in the first instance to some taluks in the malnad districts.

Thereupon the Bill was put to vote and lost, 80 voting for and 91 against.

On MR. K. T. BHASHYAM IYENGAR demanding a poll, the DEWAN said that it was not necessary as Government merely wanted to know the opinion of the House and that there was nothing to prevent them from proceeding with the Bill so long as they were convinced of its utility.

MR. MAHOMED ABBAS KHAN requested that a revised Bill might be brought up before the next session embodying all the improvements suggested by the members.

THE DEWAN replied that there was ao need to bring up the question again before the Assembly.

Bill to Amend the Mysore Land Revenue Code, 1888.

The following statement as revised in accordance with the promise given by the First Member of Council, when it was discussed on the 10th, was considered to be suitable and accepted by the House.

It has been found necessary to make provision in the Land Revenue Code for allowing lands to be taken up on short leases and special terms, and for enforcing such leases and terms. It is therefore proposed to introduce provisions in the Land Revenue Code on the lines indicated below:—

After Section 66, add the following sections:—

"66 A. It shall be lawful for the Deputy Commissioner at any time to grant permission to any person to occupy unalienated unoccupied land for such purposes, for such period and on such conditions as he may, subject to rules made by Government in this behalf, prescribe, and in any such case the occupancy shall, whether a Survey Settlement has been extended to the land or not, be held only for the period and subject to the conditions so prescribed.

(2) Whenever any person occupying or in possession of any land granted under this section fails to comply with any of the conditions so prescribed, such person may be summarily evicted by the Deputy Commissioner."

"66 B. In any case where an occupancy is not transferable without the previous sanction of the Deputy Commissioner, and such sanction has not been granted to a transfer which has been made or ordered by a civil court or on which the court's decree or order is founded,

(*a*) such occupancy shall not be liable to the process of any court, and such transfer shall be null and void, and

(*b*) the court, on receipt of a certificate under the hand and seal of the Deputy Commissioner to the effect that any such occupancy is not transferable without his previous sanction and that such sanction has not been granted, shall remove any attachment or other process placed on, or set aside any sale of or affecting such occupancy."

It is also proposed to amend Section 135 of the Code so as to enable the Deputy Commissioner to utilise the agency of the Village Panchayets for the disposal of lands set apart for building sites.